

SECURITY AGREEMENT -- FINANCING STATEMENT

1. DEBTOR:

DANVILLE INDUSTRIES, INC.  
2313 Cannon Street  
Danville, Illinois

County of Vermillion, State of Illinois

2. SECURED PARTY:

UNIVERSITY BANK  
1819 University Avenue  
Green Bay, Wisconsin 54302

County of Brown, State of Wisconsin

3. THIS SECURITY AGREEMENT AND FINANCING STATEMENT covers the following goods:

Twenty (20) railway insulated RB boxcars of 40 foot length, equipped with 70-ton roller bearing trucks and six (6) foot plug-type exterior doors, initialed DANX and numbered 7000-7019, inclusive; and,

Fifteen (15) railway insulated RB boxcars of 40 foot length, equipped with 70-ton roller bearing trucks and six (6) foot plug-type exterior doors, initialed DANX and numbered 7100 - 7114, inclusive.

4. MAINTENANCE OF COLLATERAL:

Debtor shall maintain the Collateral in good condition and repair and not permit its value to be impaired; keep it free from all liens, encumbrances and security interests (other than those created or expressly permitted by this Agreement); defend it against all claims and legal proceedings by persons other than Secured Party; pay and discharge when due all taxes, license fees, levies and other charges upon it; not sell, lease or otherwise dispose of it or permit it to become a fixture or an accession to other goods except as specifically authorized in this Agreement or in writing by the Secured Party; not permit it to be used in violation of any applicable law, regulation or policy of insurance. Loss of or damage to the Collateral shall not release Debtor from any of the Obligations.

5. INSURANCE:

Debtor shall keep the Collateral and Secured Party's interest in it insured under policies with such provisions, and for such amounts as shall be satisfactory to Secured Party from time to time, and shall furnish evidence of such insurance satisfactory to Secured Party. Secured Party may refuse to accept an Insurer offered by the Debtor for reasonable cause. Debtor assigns (and directs any insurer to pay) to Secured Party the proceeds of all such insurance and any premium refund and authorizes Secured Party to endorse in the name of Debtor

RECORDATION NO. 7300 Filed & Recorded

APR 18 1975 - 1 30 PM

INTERSTATE COMMERCE COMMISSION

any instrument for such proceeds or refunds and, at the option of Secured Party, to apply such proceeds and refunds to any unpaid balance of the Obligations, whether or not due, and/or to restoration of the Collateral, returning any excess to Debtor. Secured Party is authorized, in the name of Debtor or otherwise, to make, adjust, settle claims under and/or cancel any insurance on the Collateral.

6. INSPECTION OF COLLATERAL:

Secured Party is authorized to examine the Collateral wherever located at any reasonable time or times; and Debtor shall assist Secured Party in making any such inspection.

7. MAINTENANCE OF SECURITY INTEREST:

Debtor shall pay all expenses and, upon request, take any action reasonably deemed advisable by Secured Party to preserve the Collateral or to establish, determine priority of, perfect, continue perfected, terminate and/or enforce Secured Party's interest in it or rights under this Agreement.

8. AUTHORITY OF SECURED PARTY TO PERFORM FOR DEBTOR:

If Debtor fails to act as required by this Agreement or the Obligations, Secured Party is authorized, in Debtor's name or otherwise, to take any such action including without limitation signing Debtor's name or paying any amount so required, and the cost shall be one of the Obligations secured by this Agreement and shall be payable by Debtor upon demand with interest at the rate of 12% per year from the date of payment by Secured Party.

9. DEFAULT:

Upon the occurrence of one or more of the following events of default:

Nonperformance: Debtor fails to pay when due any of the Obligations or to perform, or rectify breach of, any warranty or other undertaking by Debtor in this Agreement or the Obligations;

Inability to Perform: Debtor or a surety for any of the Obligations dies, ceases to exist, becomes insolvent or the subject of bankruptcy or insolvency proceedings;

Misrepresentation: Any warranty or representation made to induce Secured Party to extend credit to Debtor, under this Agreement or otherwise, is false in any material respect when made; or,

Insecurity: Any other event which causes Secured Party, in good faith, to deem itself insecure.

all of the Obligations shall, at the option of Secured Party and without any notice or demand, become immediately payable, and Secured Party shall have all rights and remedies for default provided by the

Wisconsin Uniform Commercial Code, as well as any other applicable law and the Obligations. With respect to such rights and remedies,

Assembling Collateral: Secured Party may require Debtor to assemble the Collateral and to make it available to Secured Party at any convenient place designated by Secured Party.

Notice of Disposition: Written notice, when required by law, sent to any address of Debtor in this Agreement at least ten (10) calendar days (counting the day of sending) before the date of a proposed disposition of the Collateral is reasonable notice.

Expenses and Application of Proceeds: Debtor shall reimburse Secured Party for any expense incurred by Secured Party in protecting or enforcing its rights under this Agreement, including without limitation reasonable attorneys' fees and legal expenses and all expenses of taking possession, holding, preparing for disposition, and disposing of the Collateral. After deduction of such expenses, Secured Party may apply the proceeds of disposition to the Obligations in such order and amounts it elects.

Waiver: Secured Party may permit Debtor to remedy any default without waiving the default so remedied, and Secured Party may waive any default without waiving any other subsequent or prior default by Debtor.

10. NON-LIABILITY OF SECURED PARTY:

Secured Party has no duty to protect, insure or realize upon the Collateral. Debtor releases Secured Party from any liability for any act or omission relating to the Obligations, the Collateral or this Agreement, except Secured Party's willful misconduct.

11. WAIVER OF DEFENSES AGAINST ASSIGNEE:

Debtor shall not assert against any assignee of Secured Party's rights under this Agreement or any of the Obligations any claim or defense Debtor may have against Secured Party.

12. CHARGING DEBTOR'S CREDIT BALANCE:

With respect to the security interest granted in any credit balance and other money now or hereafter owed Debtor by Secured Party or any assignee of Secured Party, Debtor agrees that Secured Party may, without prior notice or demand, charge against any such credit balance or other money any amount owing upon the Obligations, whether due or not.

13. INTERPRETATION:

The validity, construction and enforcement of this Agreement are governed by the internal laws of Wisconsin. All terms not otherwise defined have the meanings assigned to them by Chapters 401 and 409, Wisconsin Statutes. Invalidity of any provision of this Agreement shall not affect the validity of any other provision.

14. FUTURE ADVANCES:

As part of the consideration for this Agreement, Secured Party will lend to Debtor at any time upon his request, One Dollar (\$1.00) and such other amounts as Secured Party in its sole discretion agrees to lend, upon such terms and conditions as may then be agreed upon by the parties, using Collateral as security, and financing statement(s) filed in connection with this Agreement to perfect the security for such advances.

IN WITNESS WHEREOF, the said DANVILLE INDUSTRIES, INC., has caused these presents to be signed by H.E. MORAN, its President, and its corporate seal to be affixed hereto, and these presents to be countersigned by JAMES R. WARTINBEE, Secretary; and the said UNIVERSITY BANK has caused these presents to be signed by Frederick M. Dawson, its President, and its corporate seal to be affixed hereto, and these presents to be countersigned by William Blythin, Vice President and Cashier, this 10<sup>th</sup> day of April, 1975.

In Presence of:

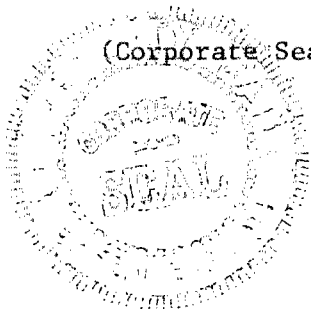
[Signature]  
H.E. Moran

(Corporate Seal)

No Seal

[Signature]  
Frederick M. Dawson

(Corporate Seal)



DANVILLE INDUSTRIES, INC.

By: [Signature]  
President

Countersigned:

By: [Signature]  
Asst. Secretary

UNIVERSITY BANK

By: [Signature]  
Frederick M. Dawson President

Countersigned:

By: [Signature]  
William Blythin Vice President & Cashier

STATE OF ILLINOIS     )  
                                  ss  
VERMILLION COUNTY    )

Personally came before me this 8 day of April, 1975,  
H. E. Moran, President and James R. Hartenbee,  
Secretary, of Danville Industries, Inc., to me known to be the persons who  
executed the foregoing instrument and to me known to be such President and  
Secretary of said corporation, and acknowledge that they executed the foregoing  
instrument as such officers as the deed of said corporation, by its authority.

Ruth A. Schuler  
Notary Public, Vermillion County, Illinois  
Commission \_\_\_\_\_

STATE OF WISCONSIN    )  
                                  ss  
BROWN COUNTY         )

Personally came before me this 10 day of April, 1975,  
Frederick M. Dawson, President, and William Blythin, Vice President & Cashier,  
of University Bank, to me known to be the persons who executed the foregoing  
instrument and to me known to be such President and Vice President & Cashier  
of said corporation, and acknowledge that they executed the foregoing instrument  
as such officers as the deed of said corporation, by its authority.

Helene F. Mueller  
Notary Public, Brown County, Wisconsin  
Commission June 19, 1977